
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 6.04.2009

Wall Street Journal: "Banks Try to Stiff-Arm New Rule ... The financial-services industry is taking steps to delay an accounting rule that would force banks and others to bring some of their off-balance-sheet vehicles back onto their books next year, which could force some to raise additional capital."

Wall Street Journal: "Bernanke Urges Deficit Reduction, Sees Growth This Year ... Federal Reserve Chairman Ben Bernanke warned Congress and the White House that the U.S. economy will suffer if they don't move soon to rein in the federal budget deficit, which the Fed chief blamed for helping to push long-term interest rates higher."

Wall Street Journal: "SEC Probes Lehman Research ... The Securities and Exchange Commission is investigating whether information about imminent stock upgrades and downgrades was improperly used by employees at Lehman Brothers Holdings and others, according to a letter released by Sen. Charles Grassley."

Wall Street Journal, Op-Ed: "Merkel for the Fed ... To the Red Sox winning the World Series, we can now add another miracle for the ages: A politician demanding tighter money. We refer to German Chancellor Angela Merkel, who in a Berlin speech Tuesday rebuked the world's central bankers, notably including the U.S. Federal Reserve, for being too politically accommodating. Hallelujah, sister."

Financial Times, Op-Ed: "General Motors goes to the garage ... Chapter 11 gives chief executive Fritz Henderson room to manoeuvre in stripping down GM's balance sheet, curbing its healthcare and pension liabilities and closing reluctant dealers. But can he remould GM for the long-term, rather than just foster a cyclical revival."

Financial Times, El-Erian: "Why Bernanke is right to be worried ... Fed chairman Ben Bernanke's congressional testimony on Wednesday warrants careful attention by market participants - this at a time when policy measures play an unusually large role in determining both absolute and relative values in many markets."

Washington Post: "SEC Chief Strives To Rebuild Regulator ... Inside the agency, Schapiro is working to step up enforcement efforts, pushing cases linked to the financial crisis and freeing investigators to more vigorously pursue financial wrongdoing. She is also pursuing regulations to govern hedge funds, derivatives, short-selling, money managers, corporate disclosures and governance."

New York Times: "Regulator to Detail Plan for Derivatives ... The new chairman of the Commodity Futures Trading Commission will ask Congress on Thursday to impose substantial new costs and restrictions on large banks and other financial institutions that deal in the complex and largely unregulated financial instruments known as derivatives."

New York Times: "In Overhaul, G.M. May Look to Its Far-Flung Arms ... As G.M. painfully reorganizes in the United States and Canada, and spins off its European business, the company's operations in emerging markets like China, India and Brazil have survived virtually unscathed, so far."

Los Angeles Times: "Bank of America's offers to modify Countrywide home loans top 100,000... The number during the four months that ended March 31 are more than double the amount required in the period under an agreement between the bank and states including California."

Los Angeles Times: "Senators grill GM, Chrysler executives on dealer cuts ... A congressional committee added another

layer of government oversight to the Obama administration's bailout of General Motors Corp. and Chrysler as senators grilled executives Wednesday over plans to use the corporate bankruptcies to close about 2,000 dealerships."

Bloomberg: "FDIC Offers Financing for Failed Bank Assets; Delays Loan Sale ... The Federal Deposit Insurance Corp., unable to get U.S. banks to sell toxic loans in a government program, plans to sell hard-to-price assets seized from failed lenders using guaranteed debt financing."

Reuters: "U.S. to unveil regulatory reform plan June 17 ... The Obama administration plans to unveil on June 17 its sweeping plan to overhaul financial regulation, according to a source familiar with thinking at the U.S. Treasury Department."